

Message Text

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61

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 DOTE-00 /051 W

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R 252025Z FEB 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 7764

UNCLAS CARACAS 2067

E.O. 11652: N/A

TAGS: ECON VE

SUBJECT: ANNOUNCEMENT OF AUTOMOTIVE INDUSTRY DEVELOPMENT
PROGRAM

1. ON WEDNESDAY, FEBRUARY 20, DEVELOPMENT MINISTER JOSE IGNACIO CASAL ANNOUNCED THE GOV PROPOSED "SECOND STAGE" DEVELOPMENT POLICY FOR THE AUTOMOTIVE INDUSTRY. TO BE IMPLEMENTED THE PLAN MUST BE APPROVED BY PRESIDENT PEREZ BEFORE MAY 31 WHEN HIS SPECIAL POWERS TO ACT BY PRESIDENTIAL DECREE WILL TERMINATE. THE PLAN REQUIRES THAT THE VALUE OF LOCALLY PRODUCED COMPONENTS IN ALL VEHICLES MANUFACTURES IN VENEZUELA REACH OR EXCEED 70PCT OF TOTAL COST BY 1980 AND 85PCT BY 1985. THE MOTOR AND VEHICLE SUPERSTRUCTURE MUST INCLUDE A MINIMUM OF 80PCT LOCALLY PRODUCED COMPONENTS. TO IMPLEMENT THIS POLICY, PRODUCTION WILL BE LIMITED TO FIVE AUTO MODELS, 5 LIGHT TRUCK MODELS, AND ONE JEPP MODEL. CASAL PREDICTS THAT THEPLAN WILL GENERATE AT LEAST 20,000 NEW JOBS AND OVER 2 BILLION BOLIVARS IN NEW INVESTMENT.

2. CASAL LISTS "BASIC PROJECTS" AS A NEW FOUNDRY, A FORGING PLANT, TWO PLANTS TO PRODUCE GASOLINE ENGINES AND ONE TO PRODUCE DIESEL ENGINES, AND TWO PLANTS TO PRODUCE AUTO AN TRUCK TRANSMISSIONS. NO DETAILS ARE AVAILABLE AS YET ON THESE PROJECTS, WHICH MAY BE NATIONAL OR MIXED ENTERPRISES.

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3. AIRGRAM FOLLOWS.

MCCLINTOCK

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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To: STATE
Type: TE
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